

9264

# **Alexandria Regional Port Authority**

**Alexandria, Louisiana**

**April 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/15/10

**Alexandria Regional Port Authority**

**April 30, 2010**

**Table of Contents**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
Independent Accountant's Report .....		1
Required Supplemental Information .....		2
Management's Discussion and Analysis .....		3-6
Basic Financial Statements .....		7
Statement of Net Assets .....	A	8
Statement of Revenues, Expenses, and Changes in Net Assets .....	B	9
Statement of Cash Flows .....	C	10
Notes to Basic Financial Statements .....		11-18
Attestation Report and Questionnaire		
Independent Accountant's Report on Applying Agreed Upon Procedures .....		19-22
Louisiana Attestation Questionnaire .....		23-24



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Accountant's Report**

Board of Commissioners  
Alexandria Regional Port Authority

We have reviewed the accompanying financial statements of the business-type activities of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Alexandria Regional Port Authority.

A review consists principally of inquiries of Authority personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis on pages 3 through 6 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

*Payne, Moore & Herrington, LLP*  
Certified Public Accountants

August 31, 2010

MARVIN A. JUREAN, C.P.A.  
ERNEST F. SASSER, C.P.A.  
ROBERT M. DUDRAZ, C.P.A.  
REBECCA B. MORRIS, C.P.A.

MICHAEL A. JUREAN, C.P.A.  
JAMES R. BALLARD, C.P.A.  
CINDY L. HUMPHRIES, C.P.A.  
DEBORAH R. BOWD, C.P.A.

1.



1415 METRO DRIVE • P.O. Box 13200  
ALEXANDRIA, LA 71315-3200  
PH: (318) 443-1893 • FAX: (318) 443-2515

**Required Supplemental Information**

## **Management's Discussion and Analysis**

**Alexandria Regional Port Authority**  
**April 30, 2010**

**Management's Discussion and Analysis**

Our discussion and analysis of the Alexandria Regional Port Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended April 30, 2010. Please read in conjunction with the Authority's basic financial statements, which begins on page 8.

**Financial Highlights**

- The Authority's net assets decreased by \$250,393 or 1.867% during the year ended April 30, 2010.

**Using this Annual Report**

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended April 30, 2010. The basic financial statements provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- The *Statement of Net Assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- The *Statement of Cash Flows* presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

**Alexandria Regional Port Authority**  
**April 30, 2010**

**Management's Discussion and Analysis**

**Financial Analysis of the Authority as a Whole**

A summary of net assets is presented below.

Table 1  
Net Assets

	2010	2009	% Change
Current and other assets	\$ 257,551	\$ 488,540	(47.46)%
Capital assets, net of depreciation	<u>13,063,409</u>	<u>13,154,228</u>	<u>(0.68)%</u>
Total Assets	13,320,960	13,642,768	(2.36)%
Current liabilities	14,033	87,191	(83.91)%
Noncurrent liabilities	<u>92,350</u>	<u>90,607</u>	<u>1.92 %</u>
Total Liabilities	106,383	177,798	(40.17)%
Invested in capital assets	13,063,409	13,154,228	(0.69)%
Unrestricted net assets	<u>151,168</u>	<u>310,742</u>	<u>(51.35)%</u>
Total Net Assets	<u>\$ 13,214,577</u>	<u>\$ 13,464,970</u>	<u>(1.86)%</u>

Invested in capital assets represent the Authority's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

A summary of changes in net assets is presented below.

Table 2  
Changes in Net Assets

	2010	2009	% Change
Operating revenues			
(Charges for services, leases, and other)	\$ 295,364	\$ 532,847	(44.57)%
Non-operating revenue			
(Government subsidies and interest income)	<u>804</u>	<u>7,223</u>	<u>(88.87)%</u>
Total Revenues	296,168	540,070	(45.16)%
Operating expenses			
Depreciation	329,436	322,411	2.18 %
Other	<u>405,109</u>	<u>538,845</u>	<u>(24.82)%</u>
Total Expenses	734,545	861,256	(14.71)%
Capital contributions	<u>187,984</u>	<u>311,156</u>	<u>(39.59)%</u>
Change in net assets	<u>\$ (250,393)</u>	<u>\$ (10,030)</u>	<u>(2396.44)%</u>

**Alexandria Regional Port Authority  
April 30, 2010**

**Management's Discussion and Analysis**

**Capital Assets**

At April 30, 2010 and 2009, the Authority had \$16,514,707 and \$16,276,090 respectively, invested in capital assets, including land and improvements, roads, port facilities, and furniture, fixtures, and equipment. Additions to capital assets during the year ended April 30, 2010, consisted of Port Facilities of \$477,273. Other adjustments to capital assets during the year ended April 30, 2010 included a \$238,656 decrease to Construction in Progress.

**Non-Current Liabilities**

The Authority's non-current liabilities consisted of accrued compensated absences for vacation and sick leave for a total of \$65,422, a deferred lease revenue of \$10,928 and a deposit held from a lease of \$16,000. These liabilities increased by \$1,743 during the fiscal year, from \$90,607 at the beginning of the year to \$92,350 at the end of the year.

**Other Currently Known Facts, Decisions, or Conditions**

It is very difficult to project from year to year the profitability of the Authority due to a majority of the income that reflects profitability is thru-put fees. The lease income and grants provide the basis for the operating expenses.

Where appropriate, the tenants share the bulk of the maintenance except for replacement of the capital assets.

**Contacting the Authority's Financial Management**

This financial report is designed to provide a general overview of the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Alexandria Regional Port Authority's office at 600 Port Road, Alexandria, Louisiana.



## **Basic Financial Statements**

**Alexandria Regional Port Authority**  
**Statement of Net Assets**  
**April 30, 2010**

**Exhibit A**

<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 60,747
Investments	167,369
Accounts receivable	22,267
Other assets	565
Prepaid expenses	5,716
<b>Total Current Assets</b>	<u>256,664</u>
<b>Noncurrent Assets</b>	
Deposits	887
Capital assets	
Nondepreciable	
Land and improvements	3,343,132
Depreciable	
Other capital assets, net of accumulated depreciation	<u>9,720,277</u>
<b>Total Noncurrent Assets</b>	<u>13,064,296</u>
<b>Total Assets</b>	<u>13,320,960</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	13,427
Payroll related payables	606
<b>Total Current Liabilities</b>	<u>14,033</u>
<b>Noncurrent Liabilities</b>	
Compensated absences	65,422
Deferred lease revenue	10,928
Deposits held from leases	16,000
<b>Total Noncurrent Liabilities</b>	<u>92,350</u>
<b>Total Liabilities</b>	<u>106,383</u>
<b>Net Assets</b>	
Invested in capital assets	13,063,409
Unrestricted	<u>151,168</u>
<b>Total Net Assets</b>	<u>\$ 13,214,577</u>

See Independent Accountant's Report.

**Alexandria Regional Port Authority**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended April 30, 2010**

**Exhibit B**

<b>Operating Revenues</b>	
Lease revenue	\$ 163,837
Charges for services	131,356
Other income	171
<b>Total Operating Revenues</b>	<u>295,364</u>
<b>Operating Expenses</b>	
Depreciation	329,436
Contract labor	10,944
Salaries and wages	161,587
Insurance	39,594
Port maintenance and operating	24,503
Office operating cost	34,300
Port marketing	15,696
Travel	12,330
Hospitalization	22,697
Retirement	20,320
Auditing	11,472
Auto expense	11,700
Payroll taxes	13,116
Membership and dues	5,511
Offloading and uploading charges	14,591
Legal	6,748
<b>Total Operating Expenses</b>	<u>734,545</u>
<b>Operating Loss</b>	(439,181)
<b>Non-Operating Revenues</b>	
Interest income	804
<b>Total Non-Operating Revenues</b>	<u>804</u>
<b>Income (Loss) Before Contributions</b>	(438,377)
<b>Capital Contributions</b>	<u>187,984</u>
<b>Change in Net Assets</b>	(250,393)
<b>Net Assets - Beginning of Year</b>	<u>13,464,970</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 13,214,577</u></u>

See Independent Accountant's Report.

**Alexandria Regional Port Authority**  
**Statement of Cash Flows**  
**For the Year Ended April 30, 2010**

**Exhibit C**

**Cash Flows from Operating Activities**

Received from operations	\$ 337,240
Payments for payroll and related expenses	(171,037)
Payments for goods and services	<u>(303,198)</u>
<b>Net Cash Used by Operating Activities</b>	<b>(136,995)</b>

**Cash Flows from Capital and Related Financing Activities**

Purchase of fixed assets and construction	(238,617)
Capital contributions	<u>187,984</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(50,633)</b>

**Cash Flow from Investing Activities**

Interest income	2,642
Deposits made	(360)
Redemption of investments	347,061
Purchase of investments	<u>(235,006)</u>
<b>Net Cash Provided by Investing Activities</b>	<b>114,337</b>

**Decrease in Cash** (73,291)

**Cash, Beginning of Year** 134,038

**Cash, End of Year** \$ 60,747

**Reconciliation of Operating Loss to  
Net Cash Used in Operating Activities**

Operating loss	\$ (439,181)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	329,436
Changes in assets and liabilities:	
Accounts receivable	43,719
Accounts payable	(73,238)
Prepaid expenses	446
Payroll related payables	80
Accrued vacation and sick leave	3,586
Deferred revenue from lease payments	<u>(1,843)</u>
<b>Net Cash Used in Operating Activities</b>	<b>\$ (136,995)</b>

See Independent Accountant's Report.

**Notes to Basic Financial Statements**

**Alexandria Regional Port Authority**  
**April 30, 2010**

**Notes to Basic Financial Statements**

**1. Organization and Significant Accounting Policies**

The Alexandria Regional Port Authority, created by Act 1987, No. 440 of the Legislature of the State of Louisiana, is a political subdivision of the State. Its territorial limits are concurrent with that of the municipal limits of the City of Alexandria. The Authority is governed by a board of commissioners, composed of up to eight members, who serve without compensation. The City of Alexandria appoints five members of the board, and the parishes of Rapides, Grant, and Avoyelles each appoint one member.

The financial statements of the Alexandria Regional Port Authority ("Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

**Reporting Entity**

Reporting standards establish the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Authority is considered a primary government, since it is a special purpose government that is legally separate and is fiscally independent of other state or local governments. As used in reporting standards, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based upon these same criteria, the Authority has no component units.

**Basis of Presentation**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. These principles require a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The Authority has no debt attributable to its capital assets.
- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The Authority has no restricted net assets.
- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Alexandria Regional Port Authority**  
**April 30, 2010**

**Notes to Basic Financial Statements**

**Fund Accounting**

The accounts of the Authority are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds follow GAAP prescribed by the Governmental Accounting Standards Board and Financial Accounting Standards Board's Standards issued prior to November 30, 1989. Enterprise funds are accounted for on a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with its principal ongoing operations. The principal operating revenues of the Authority are charges for services and lease revenue. Operating expenses include costs of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Cash**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**Investments**

The Authority may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment. Certificates of deposit that have a maturity date of more than three months are classified as investments.

**Capital Assets**

All purchased capital assets are stated at cost. Public domain (infrastructure) capital assets consisting of roads, bridges, drainage systems, and similar items are capitalized.

**Alexandria Regional Port Authority  
April 30, 2010**

**Notes to Basic Financial Statements**

The capitalization threshold for assets is set at \$500. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation of all exhaustible capital assets is charged against operations. Depreciation is computed over the estimated useful lives ranging from 5 to 50 years using the straight-line method.

**Deferred Revenue**

The Authority may report deferred revenue on its statement of net assets. Deferred revenues arise when the Authority receives resources before it has a legal claim to them. In subsequent periods, when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets and revenue is recognized.

**Compensated Absences**

Vested or accumulated vacation and sick leave are recorded as expenses and liabilities as the benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employees.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**2. Cash and Investments**

Under state law, the Authority may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.

At year-end, the carrying amount of the Authority's deposits was \$228,116, and bank balances were \$237,851. A summary of cash and cash equivalents and investments is presented below:

Cash	\$ 60,747
Investments – certificates of deposit	167,369
	<u>\$ 228,116</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent.

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. As of April 30, 2010, the Authority's bank balance of \$237,851 was not exposed to custodial credit risk in that \$237,851 was insured and collateralized by securities held by the pledging banks in the Authority's name.



**Alexandria Regional Port Authority  
April 30, 2010**

**Notes to Basic Financial Statements**

**3. Capital Assets**

	Balance 05/01/09	Additions	Adjustment/ Retirements	Balance 04/30/10
Capital assets not being depreciated				
Land and improvements	\$ 3,343,132	\$ -	\$ -	\$ 3,343,132
Construction in progress	238,656	-	(238,656)	-
Totals	3,581,788	-	(238,656)	3,343,132
Capital assets being depreciated				
Other capital assets				
Infrastructure-roads	325,125	-	-	325,125
Office equipment	7,415	-	-	7,415
Port facilities	12,032,563	12,850	-	12,045,413
Port office facilities	-	464,423	-	464,423
Furniture and fixtures	9,141	-	-	9,141
Equipment	320,058	-	-	320,058
Totals	12,694,302	477,273	-	13,171,575
Accumulated depreciation				
Infrastructure-roads	(131,194)	(6,622)	-	(137,816)
Office equipment	(6,609)	(202)	-	(6,811)
Port facilities	(2,855,132)	(301,115)	-	(3,156,247)
Port office facilities	-	(6,822)	-	(6,822)
Furniture and fixtures	(9,119)	(22)	-	(9,141)
Equipment	(119,808)	(14,653)	-	(134,461)
Totals	(3,121,862)	(329,436)	-	(3,451,298)
Other Assets, Net of Depreciation	9,572,440	147,837	-	9,720,277
Net Capital Assets	\$ 13,154,228	\$ 147,837	\$ (238,656)	\$ 13,063,409

Depreciation expense included in the financial statements for the fiscal year is \$329,436.

Current year additions relating to the Port office facilities were financed through the Louisiana Department of Transportation and Development and the Red River Waterway Commission in the amount of \$187,984.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure - roads	50 years
Port facilities	40 years
Furniture and fixtures	7 years
Equipment	5-40 years

**4. Compensated Absences**

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 61,836	\$ 3,586	\$ -	\$ 65,422

**Alexandria Regional Port Authority  
April 30, 2010**

**Notes to Basic Financial Statements**

**5. Retirement Plan Contribution**

The Authority's policy is to deposit directly into an investment account ten percent (10%) of gross salary for its employees as a retirement benefit unless otherwise approved by the Board of Commissioners.

**6. Lease Revenues**

On September 1, 1998, the Authority entered into a lease agreement with Terral Riverservice, Inc. to lease a bulk cargo facility from the Authority. The term of the lease was for five years expiring August 31, 2003, with the option of renewal at the end of the five year lease terms (another five year term for an additional nine (9) five (5) year options). Under the terms of the original lease agreement, Terral Riverservice agreed to pay an annual rental of \$118,000 payable on a quarterly basis; provided however, that in consideration for advances made by Terral Riverservice, Inc., they shall be due a credit of \$20,000 each year for ten years or until the balance is paid in full. In the event the lease is not renewed, any remaining balance of the credit is forfeited by Terral Riverservice, Inc.

On September 1, 2008, Terral Riverservice, Inc. exercised their option to renew the lease for an additional five years expiring on August 31, 2013.

On or about September 1, 2004, and in connection with the new dome construction project, Terral Riverservice, Inc. advanced an additional \$200,000 to the Authority (bringing the balance to \$280,000). Under the terms of the amended lease agreement, Terral Riverservice agreed to pay a recalculated annual rental of \$120,700, payable on a quarterly basis; provided however, that in consideration for additional advances made by Terral Riverservice, Inc., they shall be due a credit of \$28,000 each year for a period of ten (10) years or until the balance is paid in full. In the event the lease is not renewed, any remaining balance of the credit is forfeited by Terral Riverservice, Inc.

Provided this lease agreement is still in full force and effect and provided Terral Riverservice, Inc. shall not be in uncorrected default of this agreement at the end of the primary term or any extension of this agreement, Terral Riverservice, Inc. shall have the option to extend this lease agreement for seven additional consecutive terms of five years each.

Terral Riverservice, Inc. agreed to pay all taxes or any other governmental charges, utilities, and insurance. Terral Riverservice, Inc. also agreed to maintain and repair leased property and keep it in good condition.

Current annual rental (through August 31, 2010) is comprised of the following:

Annual lease for cargo facility	\$ 120,700
4% of \$912,000	36,480
CPI average	3,540
Annual credit for construction advance	(28,000)
	<u>\$ 132,720</u>

**Alexandria Regional Port Authority  
April 30, 2010**

**Notes to Basic Financial Statements**

Minimum future rental payments to be received by the Authority under the present lease are as follows:

<u>Fiscal Year End</u>	<u>Gross</u>	<u>Credit</u>	<u>Net</u>
4/30/2011	\$ 159,579	\$ 28,000	\$ 131,579
4/30/2012	160,191	28,000	132,191
4/30/2013	161,794	28,000	133,794
4/30/2014	<u>54,168</u>	<u>9,334</u>	<u>44,834</u>
	\$ 535,732	\$ 93,334	\$ 442,398

Effective September 1, 2013, assuming the lease agreement is extended, the annual lease payments will be recalculated to include an increase equal to the average Consumer Price Index (CPI) for the last five years. It is expected that the lease payments will increase, but not materially, over the current minimum future rental payment as indicated above.

The Authority entered into a lease agreement with Port Asset Acquisition, LLC (PAAL) to lease the Liquids Offloading Facility (LOF). The term of the lease was for five years expiring February 15, 2013, with the option of renewal at the end of the five year lease term (another five year term for an additional seven five year options). Under the terms of the original lease agreement, PAAL agreed to pay an annual rental of \$32,000 payable on a quarterly basis. The effective date of this agreement was February 15, 2008 and the first year's rent payment is waived in return for PAAL performing maintenance and upgrading of the LOF.

Minimum future rental payments to be received by the Authority under the present lease are as follows:

<u>Fiscal Year End</u>	<u>Amount</u>
4/30/2011	\$ 32,000
4/30/2012	32,000
4/30/2013	<u>26,667</u>
	\$ 90,667

Effective February 15, 2013, assuming the lease agreement is extended, the annual lease payments will be recalculated to include an increase equal, but not to exceed five percent, the average Consumer Price Index (CPI) for the last five years. It is expected that the lease payments will increase, but not materially, over the current minimum future rental payment as indicated above.

**7. Lease Commitments**

In August 2009, Alexandria Port Authority entered into a lease agreement with De Lage Landen Financial Services for the lease of a copy machine. The original lease was for a period of three years and requires monthly lease payments of \$208 starting in September 2009. The Authority has the option to purchase the leased equipment at fair market value at the expiration of the lease period. Total lease payments under this non-cancellable agreement during the year totaled \$1,742.

**Alexandria Regional Port Authority  
April 30, 2010**

**Notes to Basic Financial Statements**

Future minimum lease payments required as of April 30, 2010, under this lease are as follows:

<u>Fiscal Year End</u>	<u>Amount</u>
4/30/2011	\$ 2,501
4/30/2012	2,501
4/30/2013	759
	<u>\$ 5,761</u>

**8. Risk Management**

The Authority is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority carries commercial insurance as coverage for such occurrences except for errors and omissions. The Authority covers all other losses, claims, settlements, and judgments, if any. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements.

**9. Concentration**

For the fiscal year ended April 30, 2010, seventy-nine and ninety-eight hundredths percent (79.98%) of lease revenue was received from one customer and eighty-nine and eighty-four hundredths percent (89.84%) of charges for services were received from two customers.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures**

Board of Commissioners  
Alexandria Regional Port Authority

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Alexandria Regional Port Authority and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Authority's compliance with certain laws and regulations, during the year ended April 30, 2010, included in the accompanying Louisiana Attestation Questionnaire. Management of the Authority is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

No expenditures were made during the year for materials and supplies exceeding \$20,000. There was one expenditure made for public works exceeding \$100,000. We examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the provisions of R.S. 38:2211-2296.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with Personal Financial Disclosure forms for all applicable employees and board members.

MARVIN A. JUREAN, C.P.A.  
ERNEST F. SASSER, C.P.A.  
ROBERT W. OGDON, C.P.A.  
REBECCA R. MORRIS, C.P.A.

MICHAEL A. JUREAN, C.P.A.  
JAMES R. BALLARD, C.P.A.  
CIRRY L. HEMPHRIES, C.P.A.  
REGORAN E. BONE, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners  
Alexandria Regional Port Authority

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Per discussion with the Louisiana Legislative Auditor's office, the Personal Financial Disclosure Form is an allowable substitute for this step. We inspected each Personal Financial Disclosure Form noting no such instances.

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and each amended budget thereafter.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on April 8, 2009 which indicated that the budget had been adopted by the Board of Alexandria Regional Port Authority. Two amendments were made to the budget during the year. Each of these amendments were traced to the minutes of a meeting which indicated that the amended budgets had been adopted by the Authority's Board of Directors.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more, or if actual expenditures exceed budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures to determine if actual expenditures exceed budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more and actual expenditures did not exceed budgeted expenditures by 5% or more.



PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners  
Alexandria Regional Port Authority

*Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account; and

Five of the payments were properly coded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approvals.

*Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:1 through 42:13 (the open meetings law).

Alexandria Regional Port Authority is only required to post a notice of each meeting and the accompanying agenda on the door of the Authority's office building. Although management has asserted that such documents were properly posted, there is no physical proof that the agendas were posted on the door during the year under examination.

*Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.



PAYNE, MOORE & HERRINGTON, LLP

Board of Commissioners  
Alexandria Regional Port Authority

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

We reviewed the minutes noting no discussions of bonuses, advances, or gifts. We also reviewed payroll records for the year ending April 30, 2010 with no indication that bonuses, advances, or gifts were made to employees.

*Prior Comments and Recommendations*

Our prior year audit report, dated September 22, 2009 did not include any comments or unresolved matters. We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Alexandria Regional Port Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Payne, Moore & Herrington, LLP*  
August 31, 2010

Certified Public Accountants



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

7/27/10 (Date Transmitted)

JAYNE MOORE AND HERRINGTON  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes ☒ No ☐

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

July 27, 2010 John Mayall Treasurer Ex Dir.  
July 27, 2010 John V. Vanecko President Pres.